



414 Nicollet Mall  
Minneapolis, Minnesota 55401-1993

June 29, 2007

Ms. Patricia Van Gerpen  
Executive Director  
SD Public Utilities Commission  
500 East Capitol Avenue  
Pierre, South Dakota 57501

**RE: Northern States Power Company d/b/a Xcel Energy  
July 2007 Fuel Clause Adjustment**

Dear Ms. Van Gerpen:

Northern States Power Company d/b/a Xcel Energy hereby submits for filing the fuel clause adjustment determination for Xcel Energy for the billing month of July 2007.

The fuel clause adjustment is a positive 1.821 cents per kWh and is the value used in the application of Fuel Clause Rider No. 1 included in the Electric Rate Book, SDPUC No. 1 for Xcel Energy.

MISO DAY 2 IMPLEMENTATION

This filing includes our reporting of the Midwest Independent System Operator ("MISO") charges under the Day 2 Market. Pursuant to the Commission's Order (Docket No. EL05-008) dated April 6, 2005, Xcel Energy is authorized to recover the MISO Day 2 costs. In compliance with this Order and the required "net" accounting of Day 2 costs and revenues, we have included in the July FCA, the net MISO Day 2 costs for May 2007 as recorded in Account 555. The MISO Day 2 cost recovery included in this July FCA is \$36,297,199, which is the net of many items. Pursuant to the above mentioned Order, the Company also provides in Exhibit 1, which contains more detailed records supporting the calculation of the MISO costs included.

Megawatt-hour sales for the month of May 2007, subject to Fuel Clause Rider No. 1 in the South Dakota jurisdiction, are shown on the enclosed sheet.

If you have any questions regarding the information contained in this filing, please call John Chow of Xcel Energy at (612) 330-7588.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip J. Zins". The signature is stylized with a large, looped "P" and a long, sweeping horizontal stroke at the end.

Phillip J. Zins  
Manager, Pricing and Planning